



Thoresen Thai Agencies Plc.

3QFY12 Results Briefing

SET Opportunity Day

22 August 2012

**Extending
Our Footprint**



Transport | Energy | Infrastructure

Agenda



- Recap of 3QFY12: Key facts & developments
- Financial Review: Consolidated P&L
- Developments & Business Outlook:
 - Group Transport
 - Group Infrastructure
 - Group Energy
- Q&A

Recap of 3QFY12

Key facts and developments constituting 3QFY12 results



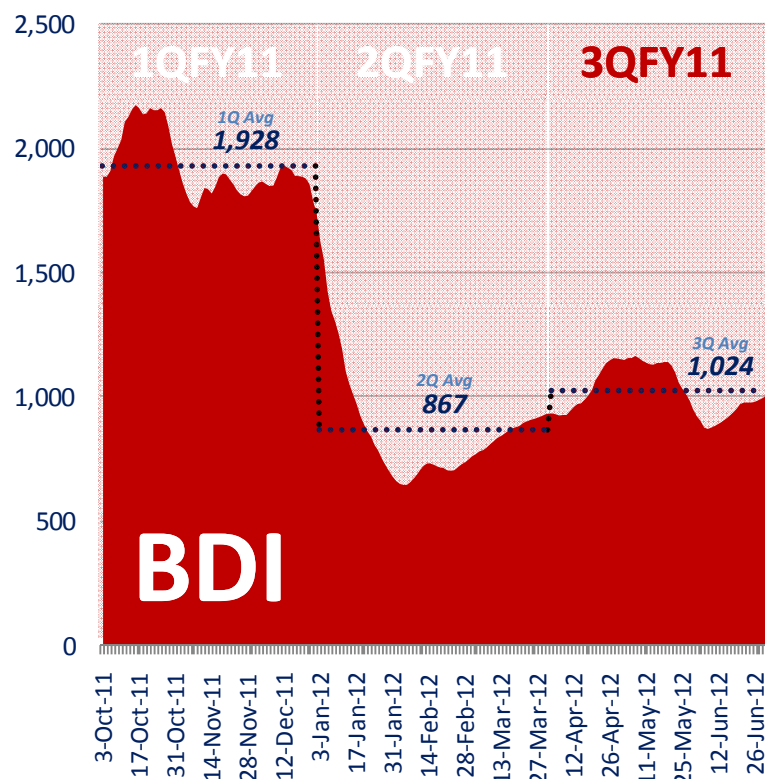
**Dry Bulk
Shipping**

Subsea
Engineering

Offshore
Drilling

Coal
Distribution

Fertiliser
Business



- BDI recovered modestly during 3QFY12
- Relatively healthy demand with estimated growth of 7% p.a. since the beginning of 2012
- But new vessels delivering at a much faster pace of 15.3% p.a.
- Thus, freight rate remain weak

Recap of 3QFY12

Key facts and developments constituting 3QFY12 results



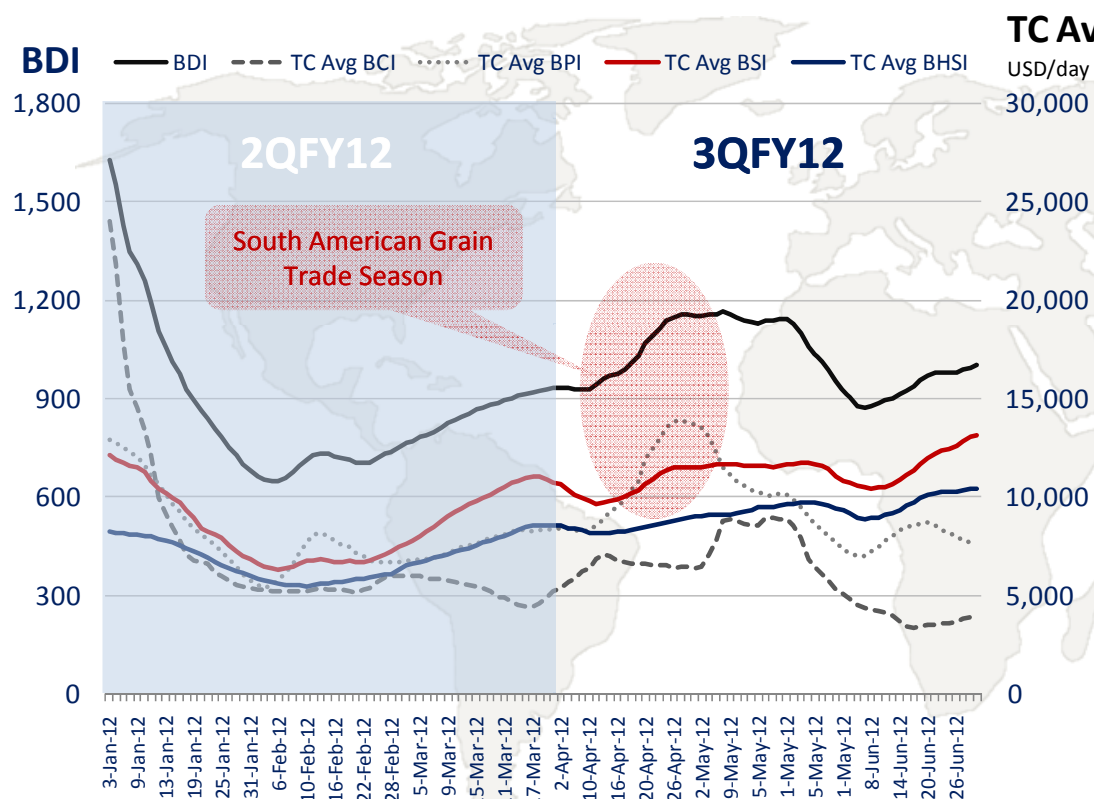
**Dry Bulk
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- BDI's modest recovery driven by smaller vessel segments
- South American Grain trade season coinciding with fewer prompt tonnages resulting in higher Transatlantic Panamax and Supramax TC rates in April

Recap of 3QFY12

Key facts and developments constituting 3QFY12 results



Dry Bulk
Shipping

**Subsea
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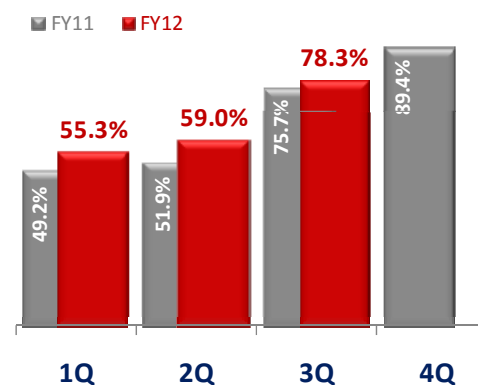
Fertiliser
Business

Q1			Q2			Q3			Q4		
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep



- Mermaid's subsea engineering group had vessel utilisation rate of 78.3% in its traditional high season

Subsea vessel utilisation rate



Recap of 3QFY12

Key facts and developments constituting 3QFY12 results



Dry Bulk
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**Offshore
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Coal
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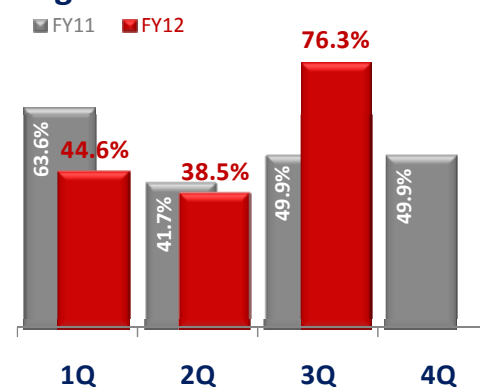
Fertiliser
Business



- Mermaid's MTR-2 back in full-time drilling mode (98.8% utilised) after 3-week technical maintenance in 2QFY12
MTR-2's current contract lasts until mid-November

- MTR-1 back in full-time accommodation barge mode since mid-May 2012 (53.6% utilised during 3QFY12)
MTR-1's current contract last until early October

Rig utilisation rate



Recap of 3QFY12

Key facts and developments constituting 3QFY12 results



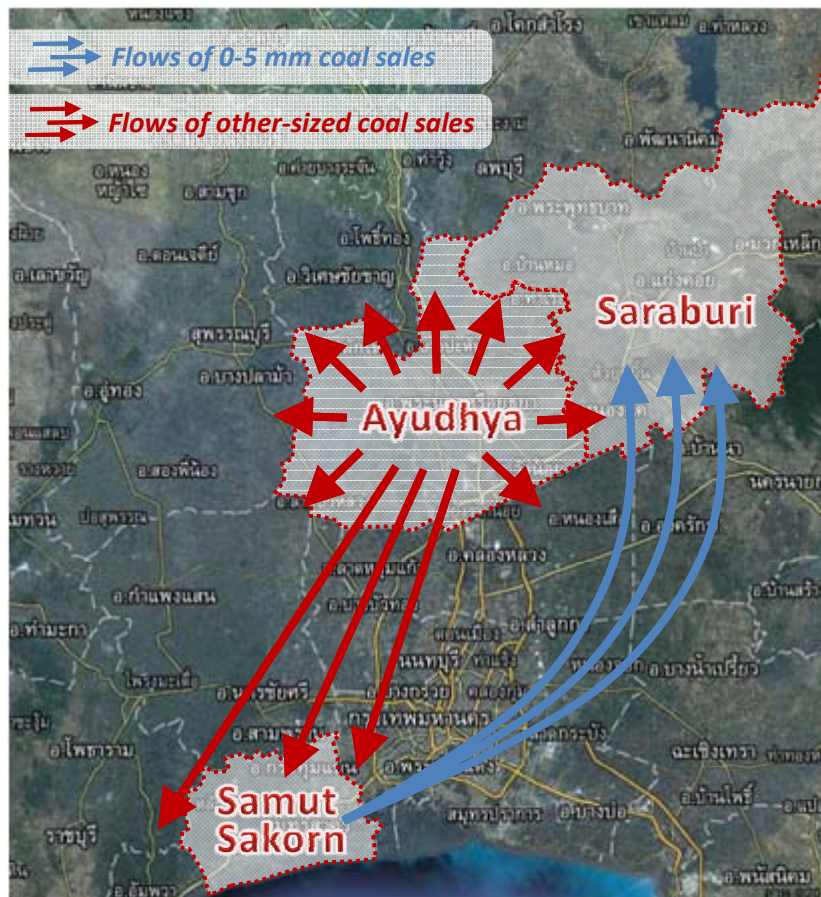
Dry Bulk
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**Coal
Distribution**

Fertiliser
Business



- Three pre-conditions to reopen Samut Sakorn Plant:
 - ❶ Removal of 0-5 mm inventory
 - ❷ Improvements to the port and warehouses
 - ❸ Waste water treatment upgrades
- Decision made to aggressively sell 0-5mm coal inventory to cement plants in Saraburi to resume the original, high-efficiency two-plant operations ASAP
- High transport costs resulted in losses at EBITDA level
- 54% of the stockpile, or roughly 245,000 tonnes, have been removed and sold at end-June

Recap of 3QFY12

Key facts and developments constituting 3QFY12 results



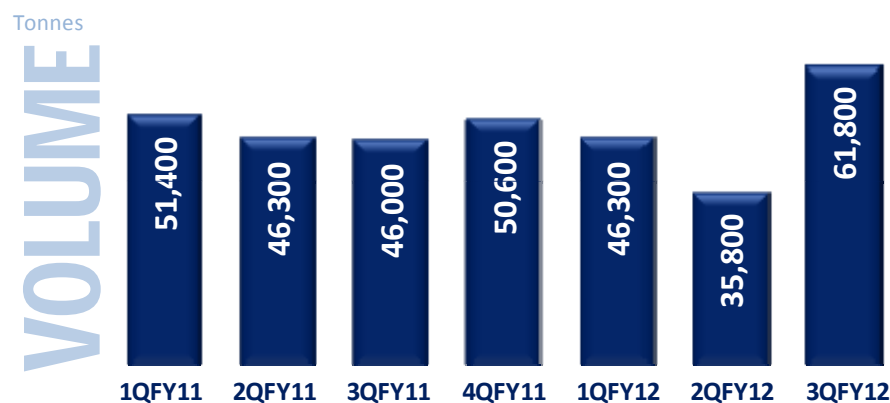
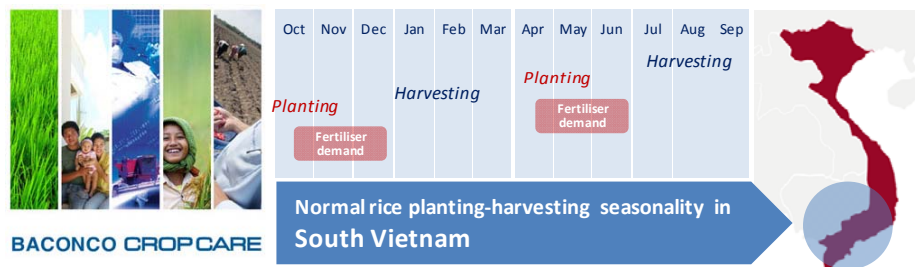
Dry Bulk
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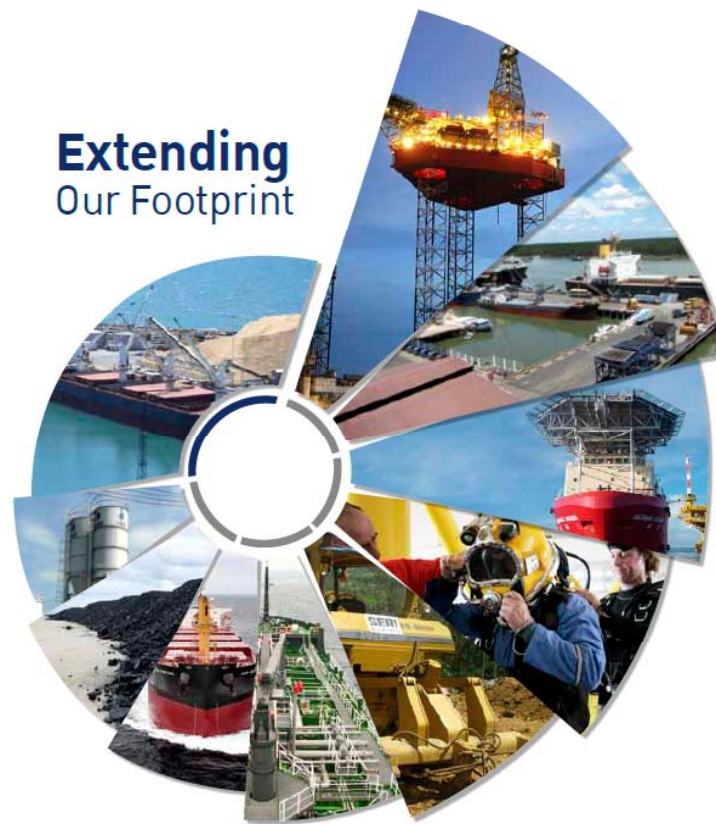
- South Vietnam's planting season normally starts in March-April
- Lower fertiliser prices and late rain, however, delayed fertilisers purchases until April
- Export markets used to substitute lower NPK fertilisers demand in South Vietnam this year



Thoresen Thai Agencies Plc.

3QFY12 Results Briefing

Financial Review
Consolidated Results



Extending
Our Footprint

Transport | Energy | Infrastructure

Financial Review: Consolidated Results

Strong set of operating results



Baht millions	3QFY11	2QFY12	3QFY12	%yoy	%qoq
Revenues	4,376	3,529	4,810	10%	36%
Costs	3,307	2,819	3,608	9%	28%
Gross profits	1,069	710	1,201	12%	69%
SG&A	519	480	525	1%	9%
EBITDA	551	230	677	23%	194%
EBIT	213	(116)	350	64%	402%
Profits before EI	(16)	(281)	130	900%	146%
Extraordinary items	310	(19)	(2,333)		
Minority interests	(28)	51	(56)		
Forex impacts	65	43	(92)		
Net profit	332	(205)	(2,351)	-809%	-1045%

Financial Review: Consolidated Results

Strong consolidated revenues from all main business units



Income statement					
Baht millions	3QFY11	2QFY12	3QFY12	%yoy	%qoq
Revenues	4,376	3,529	4,810	10%	36%
Freight charges	1,212	753	934	① -23%	24%
Offshore services	1,454	996	1,753	② 21%	76%
Sales	1,640	1,705	2,045	③ 25%	20%
Costs	3,307	2,819	3,608	9%	28%
Gross profits	1,069	710	1,201	④ 12%	69%
SG&A	519	480	525	1%	9%
EBITDA	551	230	677	⑤ 23%	194%
Depreciation & Amortization	527	424	427		
Other income	140	40	65		
Equity income	48	38	34	⑥	
EBIT	213	(116)	350	64%	402%
Finance costs	(144)	(155)	(155)		
Income taxes	(85)	(9)	(64)		
Profits before EI	(16)	(281)	130	900%	146%
Extraordinary items	310	(19)	(2,333)	⑦	
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1 Freight revenues rebounded 24% qoq as a result of:

- Half of Thoresen Shipping's fleet was in the higher-yielding Atlantic
- 21.2 FTE vessels (owned + chartered-in) in 3QFY12 vs. 16.3 in 3QFY11

2 Strong offshore services income growth both qoq and yoy as:

- Subsea business entered high season
- Offshore drilling revenues boosted by MTR-1's resumption

Strong sales revenues from:

- 3**
- UMS' aggressive sales of 0-5 mm coal
 - Delayed purchases (from last quarter) of Baconco's fertilisers in South Vietnam

Financial Review: Consolidated Results



Faster growth of gross profits from effective cost savings

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- ④** Effective costs savings measures streamlined cost structures and improved gross margins

Thoresen Shipping:

- Modern fleet and on-board maintenance initiatives
- Improved inventory management of spares
- Pool purchasing
- Reduction in lube oil consumptions

Mermaid Maritime:

- Adjustments in crew contracts
- Effective implementation of TTA Group's shared services

Financial Review: Consolidated Results



Healthy EBITDA growth from Mermaid and Baconco

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⑤ Strong yoy EBITDA growths for two business units:

- Mermaid: +72% yoy
- Baconco: +25% yoy

23% yoy growth achieved even with Thoresen Shipping's EBITDA slightly lower yoy and UMS' loss

⑥ Equity income remain respectable, slightly lower because two vessels of Petrolift were scheduled for dry docking

⑦ UMS goodwill impairment of Baht 2,319 million recognised based on continuing uncertainties over the reopening of the Samut Sakorn Plant

UMS Goodwill Impairment

The two plants are strategically located



Ayudhya Plant built to feed higher proportion of **0-5 mm coal** to cement plants in **Saraburi**, while supplying larger-sized classified coal to other factories in the area

Samut Sakorn Plant built to supply larger-sized classified coal to wide range of factories in the area, **fully equipped with large granular production facility** to add value to its 0-5 mm coal

UMS Goodwill Impairment

Samut Sakorn Plant closure affecting operations efficiency

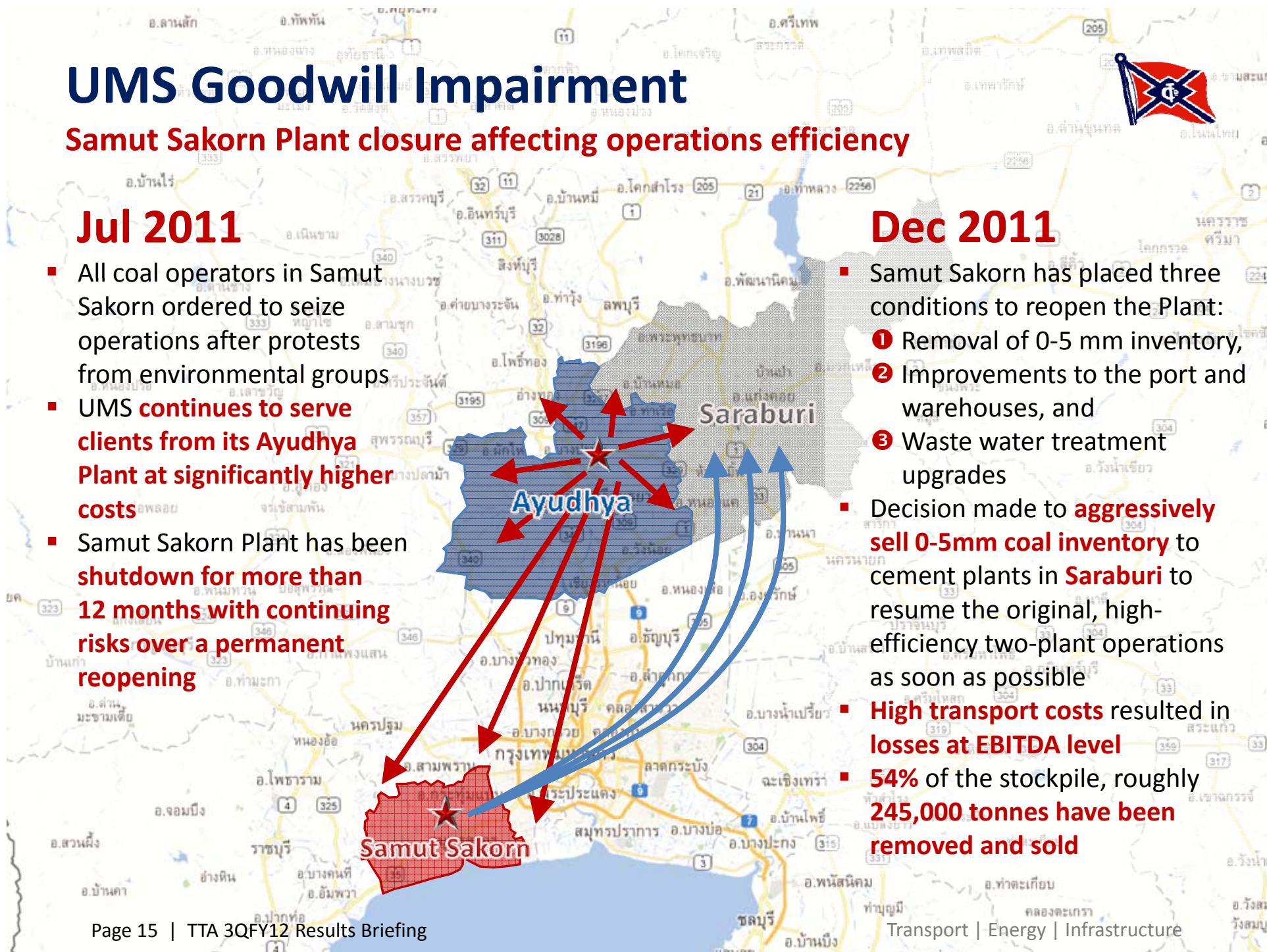


Jul 2011

- All coal operators in Samut Sakorn ordered to seize operations after protests from environmental groups
- UMS **continues to serve clients from its Ayudhya Plant at significantly higher costs**
- Samut Sakorn Plant has been **shutdown for more than 12 months with continuing risks over a permanent reopening**

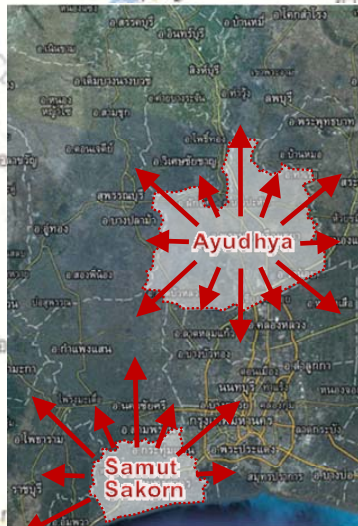
Dec 2011

- Samut Sakorn has placed three conditions to reopen the Plant:
 - ❶ Removal of 0-5 mm inventory,
 - ❷ Improvements to the port and warehouses, and
 - ❸ Waste water treatment upgrades
- Decision made to **aggressively sell 0-5mm coal inventory** to cement plants in **Saraburi** to resume the original, high-efficiency two-plant operations as soon as possible
- **High transport costs** resulted in **losses at EBITDA level**
- **54% of the stockpile, roughly 245,000 tonnes have been removed and sold**

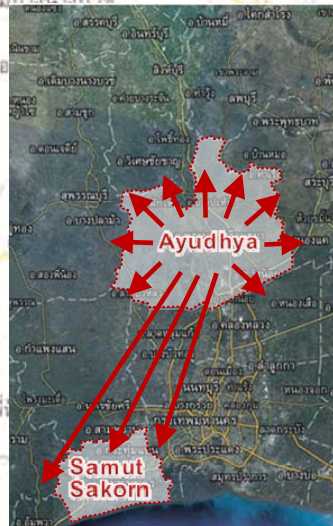


UMS Goodwill Impairment

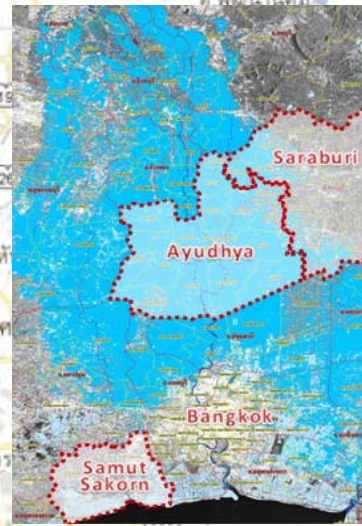
Samut Sakorn Plant closure affecting operations efficiency



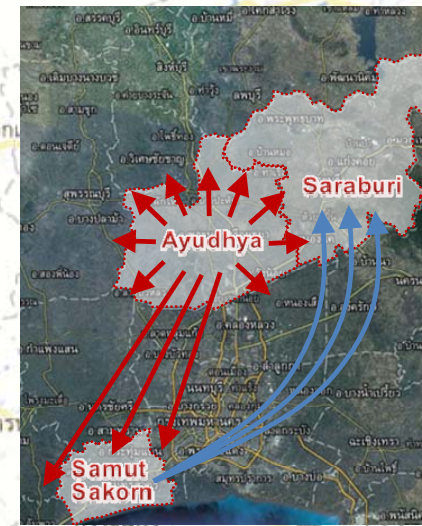
Prior to Jul-11:
Normal two-plant operations



Jul-11 to Oct-11:
One-plant operations
Ayudhya Plant also serving customers in Samut Sakorn



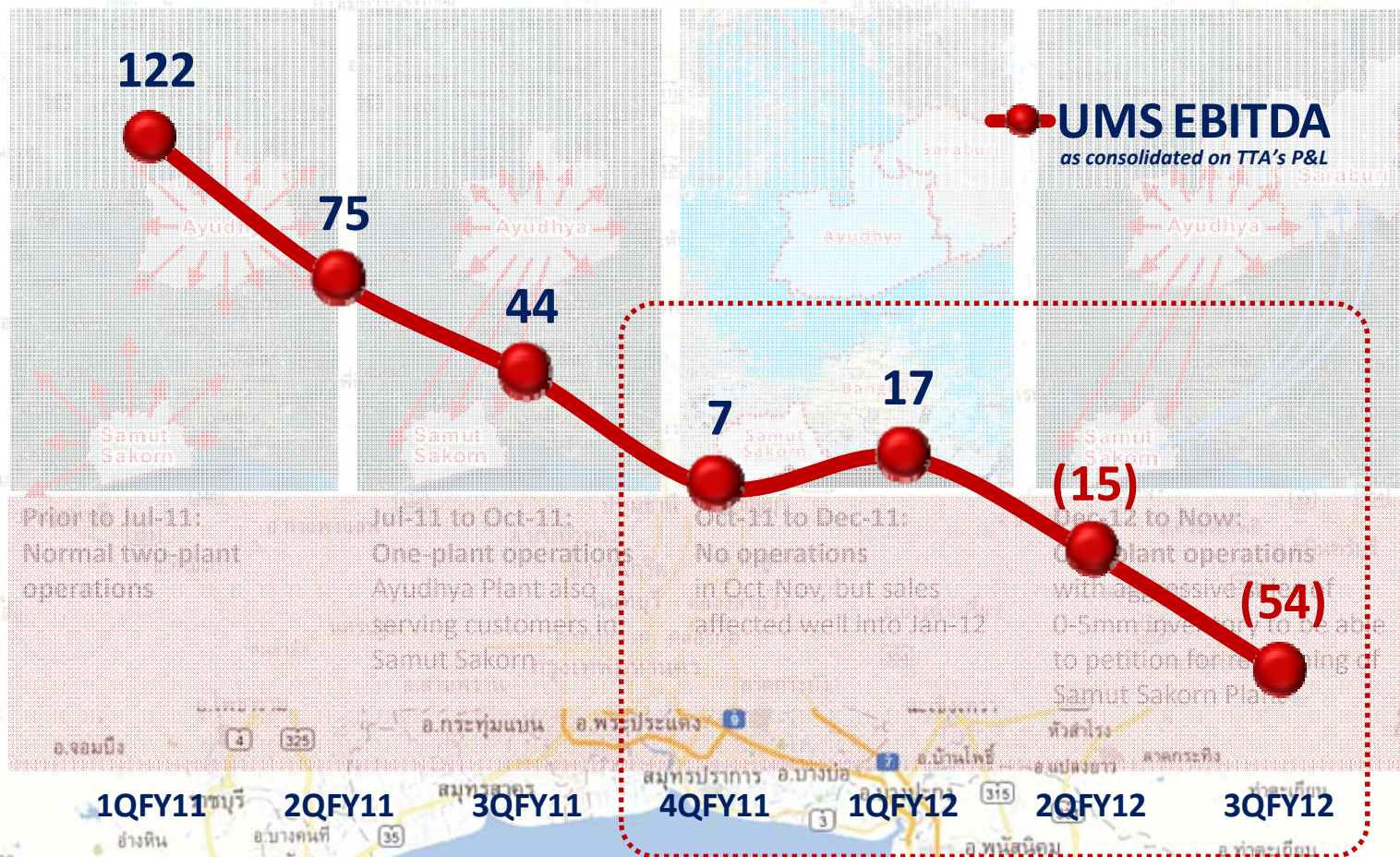
Oct-11 to Dec-11:
No operations
in Oct-Nov, but sales affected well into Jan-12



Dec-12 to Now:
One-plant operations
with aggressive sales of 0-5mm inventory to be able to petition for reopening of Samut Sakorn Plant

UMS Goodwill Impairment

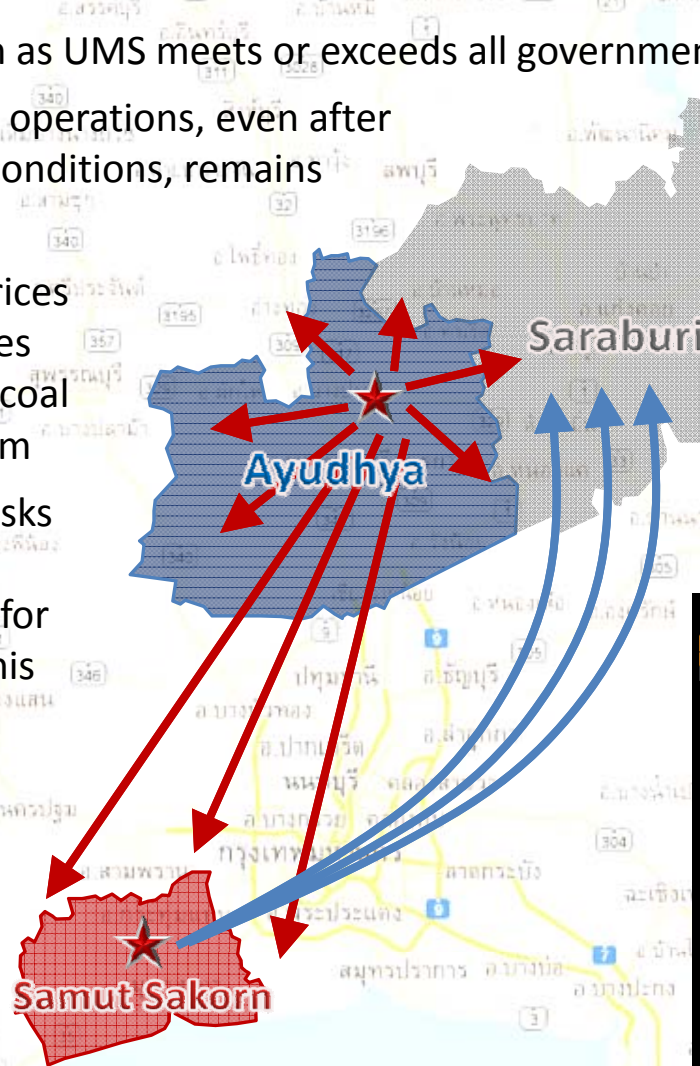
“One-leg” operations deteriorating UMS profitability



UMS Goodwill Impairment

Continuing risks to permanently reopening of Samut Sakorn Plant

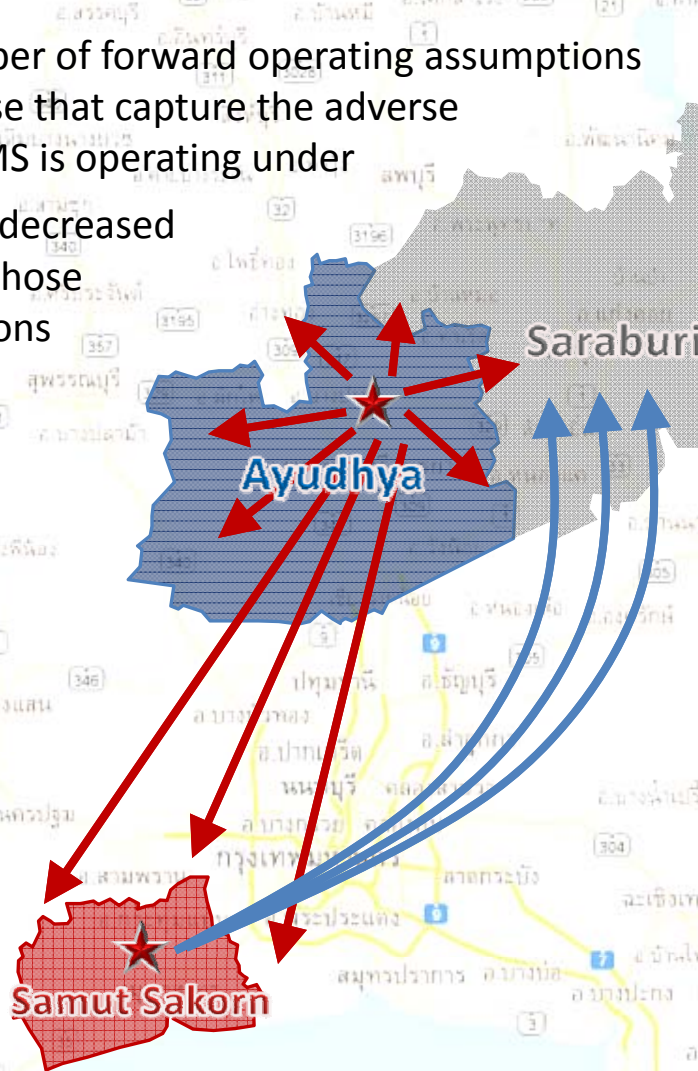
- 12-month closure even as UMS meets or exceeds all government environmental standards
- Ability to recommence operations, even after meeting all three pre-conditions, remains beyond TTA's control
- Currently, weak coal prices could cause wider losses for the rest of 0-5 mm coal stock reduction program
- Given the continuing risks over a permanent reopening, BOD asked for a mid-year review of this investment



UMS Goodwill Impairment

Recalculation of value-in-use

- BOD mandated a number of forward operating assumptions to calculate value-in-use that capture the adverse external conditions UMS is operating under
- UMS' value-in-use has decreased significantly based on those conservative assumptions



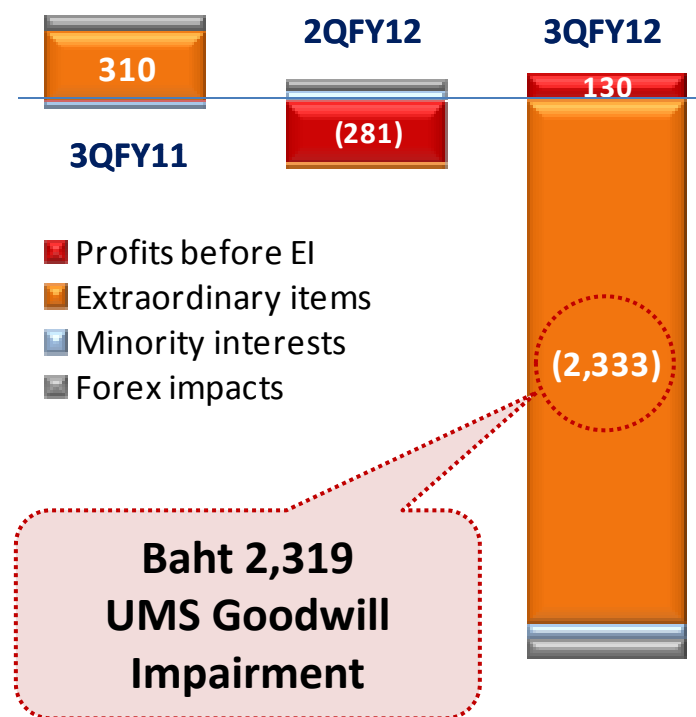
- The calculation of value-in-use was performed using projected free cash flows covering the next five years
- Cash flows beyond the five-year period were extrapolated using the estimated growth rates and a discount rate of 3.6% and 14%, respectively
- A non-cash impairment loss against goodwill of THB 2,319 million was recognised in the Q3FY2012 income statement

Financial Review: Consolidated Results



Strong operating results but overshadowed by the goodwill impairment charge

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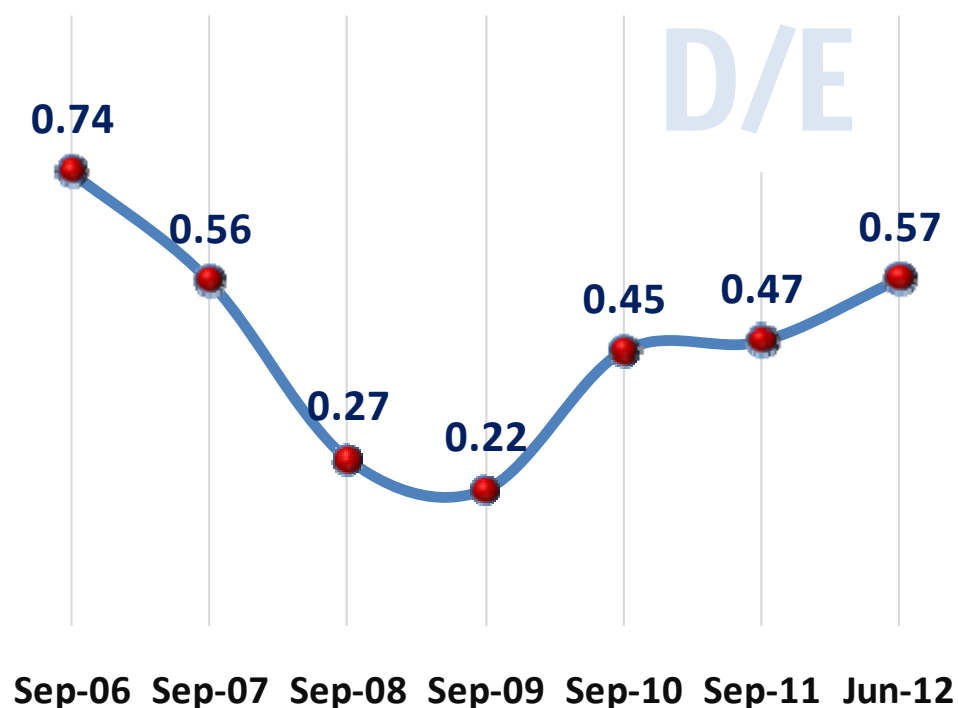


Financial Review: Consolidated Results

Financial position remains intact ...

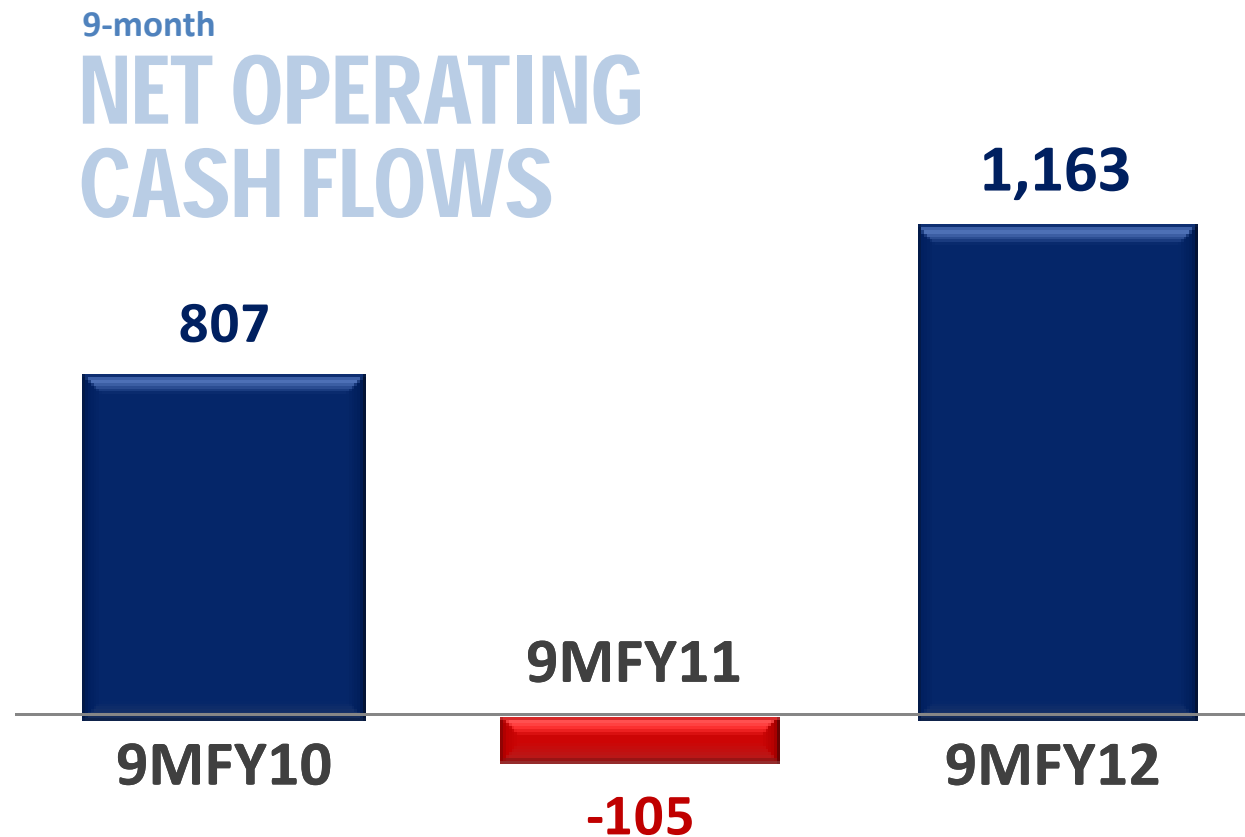


	30-Sep-11	30-Jun-12
Cash & cash equivalent	3,797	4,409
Short-term investments	984	1,059
Goodwill, net	3,817	1,499
Total assets	48,032	45,585
Short-term debts	3,685	3,522
Long-term debts	10,688	12,099
Total liabilities (TL)	17,216	18,083
Retained earnings	21,487	18,016
Total equities (TE)	30,816	27,502
TL/TE	0.56	0.66
D/E	0.47	0.57
Net D/E	0.31	0.37



Financial Review: Consolidated Results

...with strong improvement in cash flow generating ability

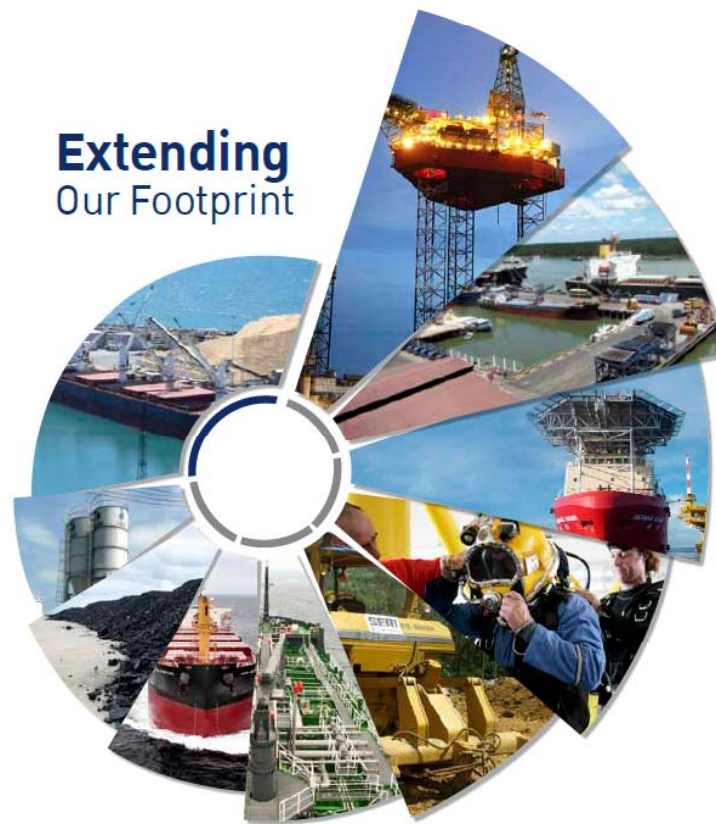




Thoresen Thai Agencies Plc.

3QFY12 Results Briefing

Business Outlook
Group Transport



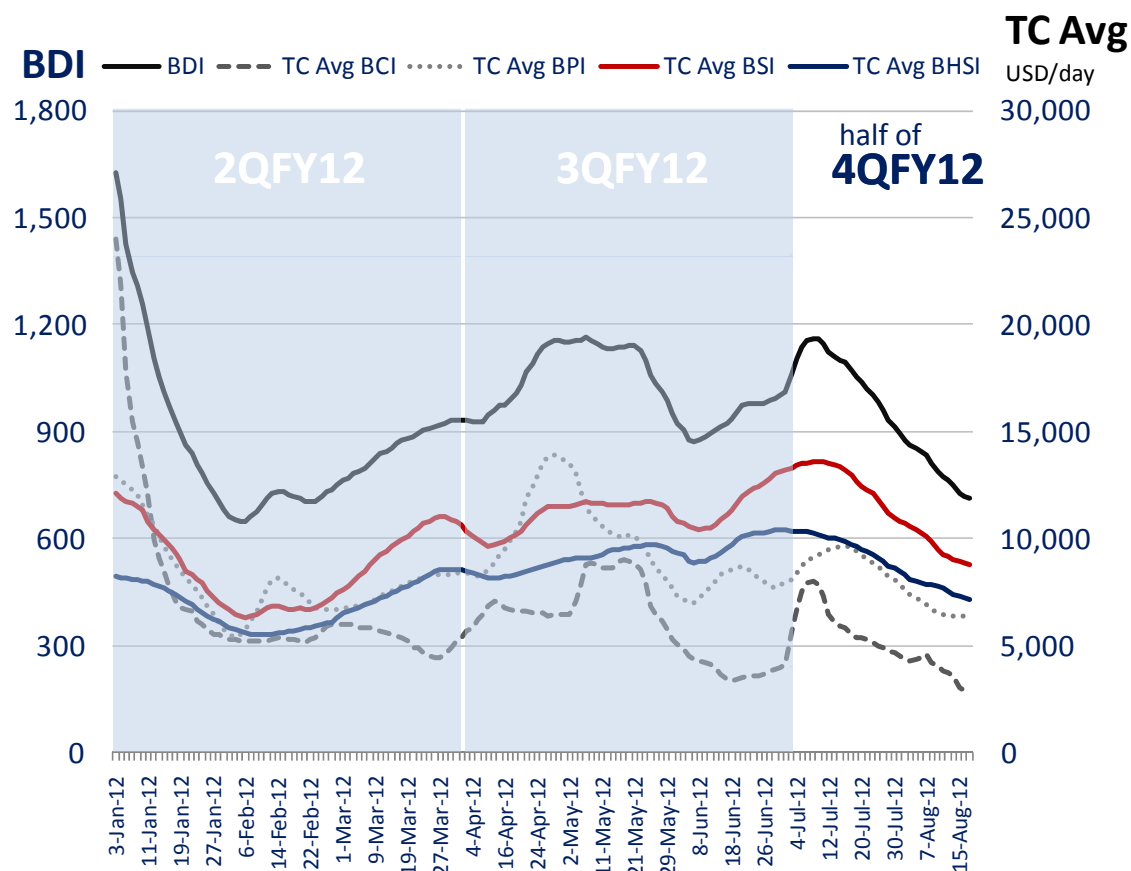
**Extending
Our Footprint**

Transport | Energy | Infrastructure

Business Outlook: Group Transport

Dry bulk shipping

Market bumping along the bottom?



- BDI approaching the 25-year low again
- Supramax and Handysize TC rates still relatively higher than the larger-sized segments, but also declining sharply

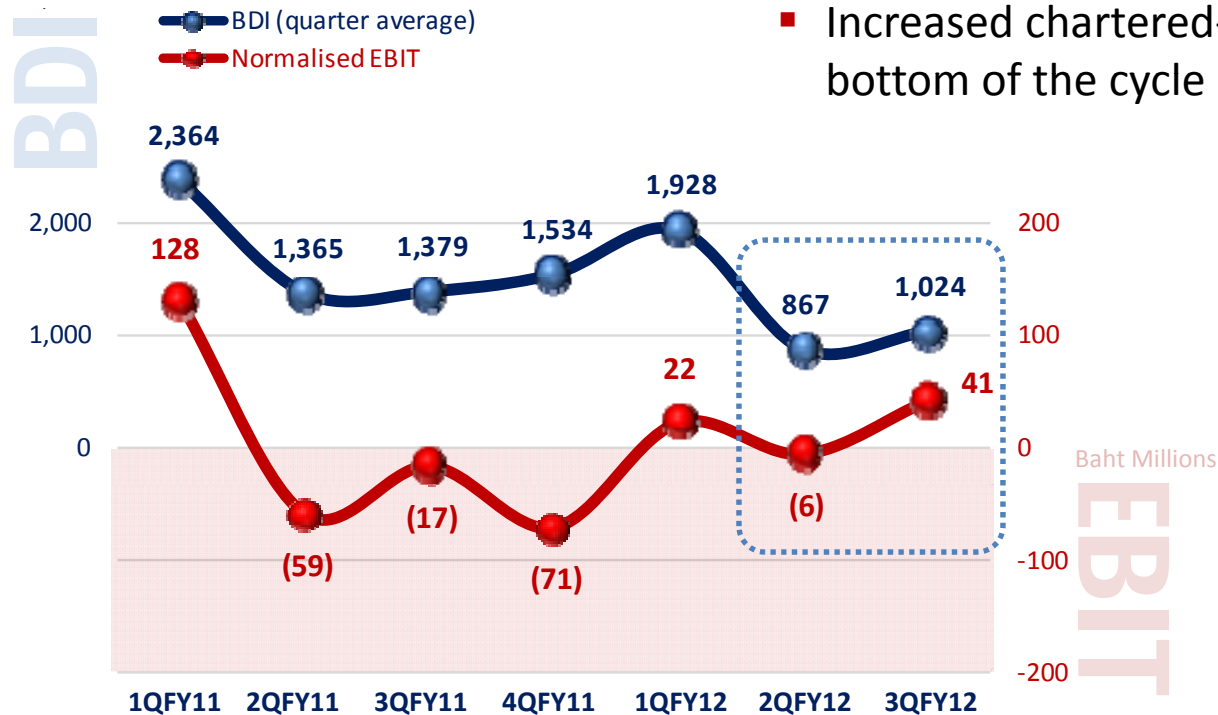
Business Outlook: Group Transport

Dry bulk shipping

Thoresen Shipping increasingly resilient in low freight rate environment



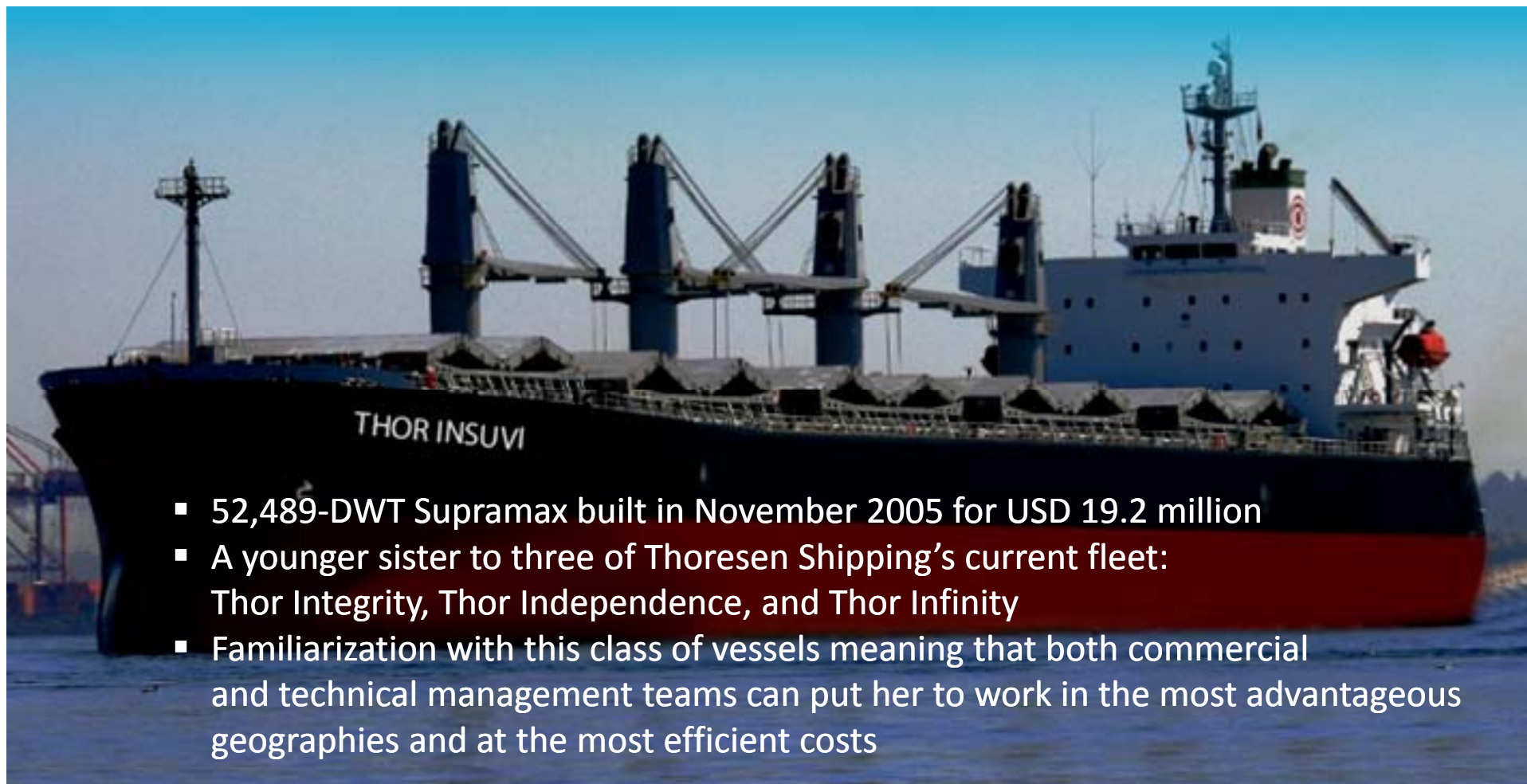
- Effective cost control, higher efficiency
- Breakeven at lower fleet TC rates
- Increased chartered-in vessels at the bottom of the cycle



Business Outlook: Group Transport

Dry bulk shipping

One secondhand addition to owned fleet in July

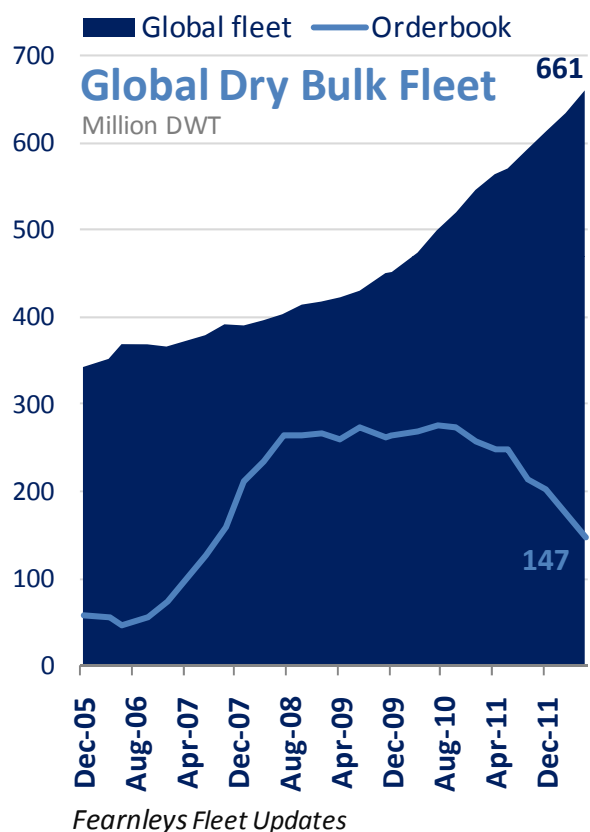


- 52,489-DWT Supramax built in November 2005 for USD 19.2 million
- A younger sister to three of Thoresen Shipping's current fleet: Thor Integrity, Thor Independence, and Thor Infinity
- Familiarization with this class of vessels meaning that both commercial and technical management teams can put her to work in the most advantageous geographies and at the most efficient costs

Business Outlook: Group Transport

Dry bulk shipping

Continued headwinds to bring interesting opportunities



- Dry bulk deliveries at a record-setting pace
- Another 147 million DWT of new tonnage (22% of the current fleet) to enter the market during the next 2-3 years.
- Scrap prices on a steady decline, approximately 20% from May, standing around USD340-370/LDT
- Owners expected to scrap their aging vessels despite the low prices
- With supply growth outpacing demand, another 12-24 months of low freight rates environment expected
- More dry bulk companies with heavy debt obligations will be forced to restructure or file for bankruptcy, thus interesting opportunities to rebuild fleet with increasingly attractive-priced, modern vessels

Business Outlook: Group Transport

Dry bulk shipping

Continued headwinds to bring interesting opportunities



Size	Current World Fleet <i>(incl. Delivery in Jun 2012)</i>			Total Order Book in Jun 2012 <i>(will be delivered in 2012-2013+)</i>		
	No.	DWT '000	% DWT Breakdown	No.	DWT '000	% of Current Fleet
10-25	1,032	19,134	2.9%	46	803	4.2%
25-50	3,120	111,604	16.9%	472	17,225	15.4%
50-60	1,656	91,563	13.8%	330	18,622	20.3%
60-100	2,191	168,677	25.5%	665	52,662	31.2%
100+	1,475	270,233	40.9%	282	57,214	21.2%
Total	9,474	661,211	100.0%	1,795	146,526	22.2%

	Delivered		Demolition		Net growth	
	No.	DWT '000	No.	DWT '000	No.	DWT '000
2009	449	35,653	115	5,039	334	30,614
2010	918	77,578	96	4,504	822	73,074
2011	1,122	98,544	330	21,769	792	76,775
Jan - Jul 2012	751	63,427	161	9,426	590	54,001

Source: Fearnleys Fleet Update, Jul 2011

Business Outlook: Group Transport

Inter-island oil & gas tankering in the Philippines Slightly softer but still strong



- Revenues slightly lower due to scheduled dry-docking of two vessels during the quarter, thus margins temporarily under pressure
- EBITDA both in absolute terms and margins remained relatively strong
- Petrolift contributed roughly Baht 26 million in 3QFY12, remaining the largest portion of equity income to TTA
- With its stable business model and steady growth, Petrolift lessens the volatility impact of the dry bulk shipping business
- Petrolift operated a young (ten-years-old average age) fleet of ten petroleum tankers/barges, including one liquefied petroleum gas tanker
- The fleet has a total capacity of approximately 41 million litres transporting fuel oil, refined petroleum, and LPG products to all major ports/depots in the Philippines





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Business Outlook
Group Energy



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Business Outlook: Group Energy

Subsea engineering

Working toward subsea fleet optimisation strategy



- Higher-end vessels in the subsea fleet, including DSVs and ROV support vessels, continue to contribute the majority of revenues due to higher day rates, longer contract durations, and the provision of add-on services
- Business growth opportunities becoming more regionalised and led more by national oil and gas companies
- Mermaid is working towards a fleet optimisation strategy to focus on higher yielding vessels and increase market penetration in growth areas, such as Malaysia, Indonesia, Middle East, and Africa
- Outlook in the oil and gas industries expected to be positive in the next 12 months, barring any unforeseen circumstances in the global economy
- Mermaid's subsea vessels are expected to be above 70% utilised during 4QFY12, but lower than 4QFY11 level
- An interest rate swap contract (which will mature on 29 Sep 2012) has negative net fair values of USD 3.4 million





Business Outlook: Group Energy

Offshore drilling

Positive momentum for tender rigs market

Both existing drilling assets will be fully utilised in 4QFY12.

- MTR-1 operating as an accommodation barge support unit in Indonesia with its current contract expiring in 1QFY13
- Mermaid is marketing MTR-1 for continued work as an accommodation barge support unit beyond this term
- MTR-2 operating in drilling mode in Indonesia, with its current contract also scheduled to expire in 1QFY13
- MTR-2 scheduled to undergo a special periodic survey for a period of 3-4 months
- Marketing MTR-2 commenced for continued work upon the completion of the survey
- With regard to the tender rig market outlook, modern tender rigs have recently reported utilisation rates as high as 95%, with older tender rigs reportedly achieving utilisation rates as high as 85%
- Mermaid is studying possibility to invest in two new tender rigs



Offshore drilling

Continuing good prospects for jack-up rig market



- Overall demand for premium jack-ups rigs has remained strong in all relevant regions
- Utilisation rate for newer jack-up rigs, built after 1990 with more than 300 feet water depth capacity, remains above 95% globally
- Oil companies continue to show a preference for newer equipment due to their superior technical capacities and operational flexibility
- Overall market development suggests a positive trend in terms of rig demand, utilisation rates, contract terms, and day rate levels
- Construction of AOD's three high-specification jack-up rigs with Keppel FELS continues to make progress with delivery of the first rig now scheduled as early as December 2012
- Seadrill Ltd., as technical and commercial managers, have already commenced marketing these rigs to potential clients

Source: Pareto Securities



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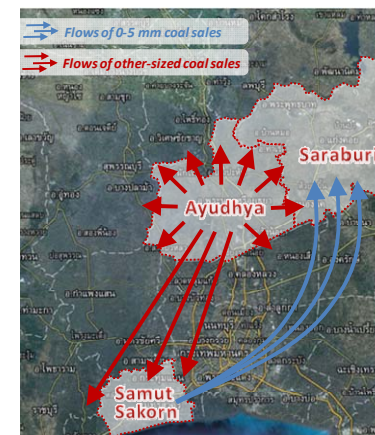
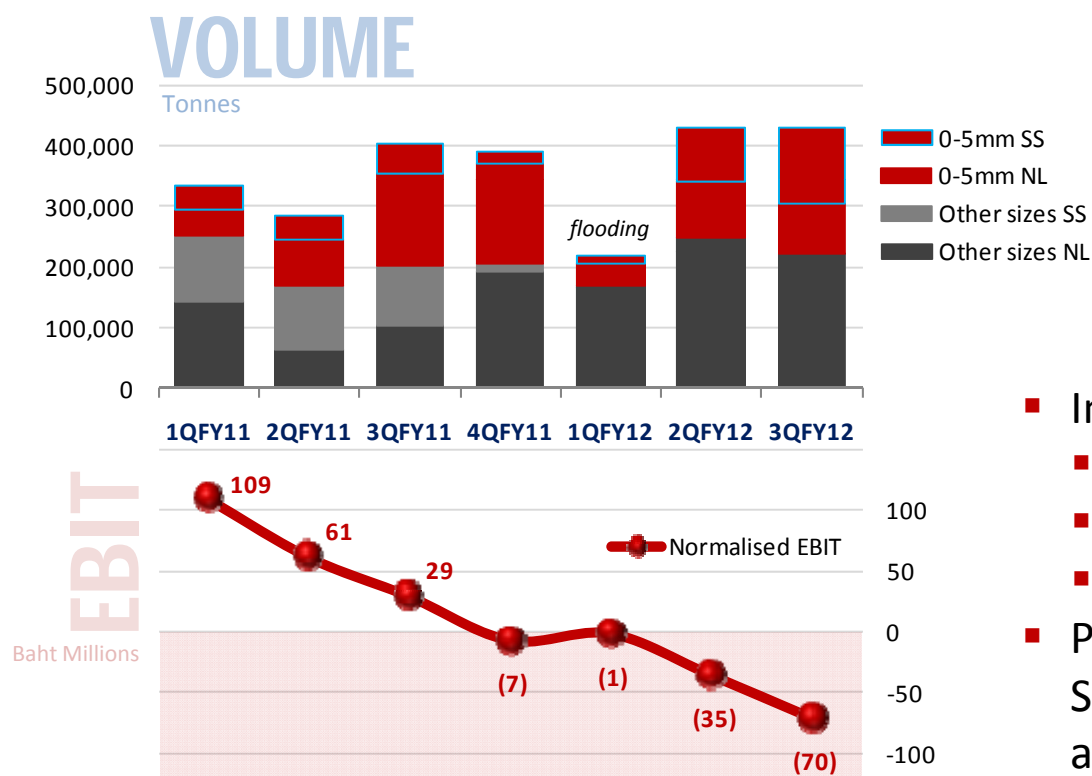
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Business Outlook: Group Infrastructure

Coal distribution

Exploring alternatives to restore profitability



- Initiatives as back-up plan:
 - Alternative production site
 - Floating terminals
 - Run-of-mine coal imports
- Profitability expected to return once the Samut Sakorn plant is reopened or alternative solution is implemented
- Expecting slower 0-5mm sales from Samut Sakorn in 4QFY12



Business Outlook: Group Infrastructure

Professional logistics services

More land acquired for more warehouse space

- Warehouse space at all facilities under TTA Group companies in Vietnam is enjoying 90%+ capacity utilisation
- Baconco announced an additional 50,000 sq.m. of land acquisition out of its own cash
- Land transfer was completed in May
- Warehouse space on this new piece of land should be 30,000 sq.m. and will most likely be developed in two phases, 15,000 sq.m. each, over 2013 and 2014
- Demand for professional logistics services in South Vietnam has been rising with the new warehouse space launched in January was immediately filled up to full capacity since its opening
- Thoresen Vinama Logistics, Baconco, and Baria Serece are uniquely positioned to offer a full logistics solution with sea and land transport, warehousing, bagging, forwarding, and customs clearance
- These logistics services will support the continuing expansion of Baria Serece, in which TTA owns a 20% stake

3QFY12: operationally strong
with one large non-cash
goodwill impairment charge...



Q&A